

Old-Age, Disability, Death

First law: 1913.

Current laws: 1962, 1976 (partial pension based on part-time work).

Type of program: Dual universal and social insurance systems.

Exchange rate: U.S.\$1.00 equals 7.52 kronor.

Coverage

Universal pension: Persons residing in Sweden who have fulfilled stipulated periods of residence or employment.

Earnings-related pension: All employees and self-employed persons earning over *base amount*. Covered during posting abroad when work is intended to last no longer than a year. Foreigners employed in Sweden by foreign employers covered if work is intended to last more than a year.

The *base amount* is established each year by the Government on the basis of the consumer price index. January 1995 base amount: 35,700 kronor.

As of January 1, 1993, pension benefits are calculated by reducing the *base amount* by 2%.

(Previously, the entire *base amount* was used in the computation).

Source of Funds

Insured person: Universal pension—employees: 1% of assessable income (up to 7.5 times the *base amount*); self-employed,: 6.03% of assessable income (up to 7.5 times the base amount).

Earnings-related and partial pensions—employees: none; self-employed: same as employer contribution.

Employer: Universal pension—5.83% of payroll.

Earnings-related pension—13.0% of payroll.

Partial pension—0.2% of payroll.

Government: Universal pension—about 25% of cost.

Earnings-related and partial pensions—no contribution.

Qualifying Conditions

Old-age pension: Both pensions—age 65 (age 60-64 with 0.5% reduction per month).

Universal pension—no contribution condition or income test, but must have been a resident of Sweden, or credited with pension points, for at least 3 years. A full basic pension requires 40 years' residency during ages 16-64 inclusive, or 30 years with pension points. The pension is reduced by 1/40 or 1/30, respectively, for each year residency falls short. Payable abroad to Swedish citizen entitled to earnings-related benefits.

Earnings-related pension—3 years' coverage.

Retirement unnecessary for either pension.

Partial pension: Pension based on part-time work (age 60-64)—reduced work schedule, fulfilled certain conditions before entitlement, and 10 years' earnings-related coverage after age 45.

Disability pension: Both universal and earnings-related pensions—Disability pension may be granted as a full pension, 3/4, 1/2 or 1/4 of a pension, respectively.

See old-age pension, above, for additional requirements.

Survivor pension: Universal pension—widow, widower, and orphan of specified age; residence as under old-age pension.

Earnings-related pension—deceased was pensioner or had 3 years' coverage.

Note: Transitional rules apply in the survivor pension program introduced January 1, 1990.

Old-Age Benefits

Universal old-age pension: 96% of current reduced *base amount*, multiplied by the accrued number of fortieths or thirtieths (see under Qualifying Conditions, above); or 157% for aged couple (a full basic pension to a single pensioner and two full basic pensions to a married couple, amounting to 2,799 or 4,578 kronor a month in January 1995). Increment of 0.7% of pension per month of deferral until age 70.

Supplements: 55.5% of reduced *base amount* as explained above (if ineligible for earnings-related pension); wife's supplement if wife aged 60, married 5 years or more, not receiving basic pension (means-tested); also municipal housing supplement (means-tested).

Earnings-related old-age pension: 60% of the current *base amount* multiplied by insured's average annual number of pension points in 15 years with most points. Number of pension points in a year equals the difference between worker's covered earnings and the year's *base amount* divided by the base amount.

Limit: 6.5 points per year (full pension, 30 years' coverage; for shorter coverage, pension reduced accordingly).

Increment of 0.7% of pension per month of deferral until age 70.

Partial pension: 65% of income loss connected with changeover to part-time work.

Adjustment: Annual automatic adjustment of benefits as the base amount is adjusted.

Permanent Disability Benefits

Universal disability pension: 96% of reduced current *base amount*, multiplied by the accrued number of fortieths or thirtieths, or 157% for couple (2,799 or 4,578 kronor a month in January 1995). (See Old-Age Pension under Qualifying Conditions, above).

Supplements: 104% of reduced *base amount* with accruals (if ineligible for earnings-related pension); constant-attendance supplement, up to 65% of base amount; wife, aged 60, see old-age pension; municipal housing supplement (means-tested).

Partial disability: 3/4, 1/2, or 1/4 of a full pension.

Earnings-related disability pension: Computed same as old-age pension except credit given for years up to age 65 if certain prior coverage requirements are met.

Partial disability: 3/4, 1/2, or 1/4 of a full pension.

Adjustment: Annual automatic adjustment of benefits as the *base amount* is adjusted.

Survivor Benefits

Universal survivor pension (widow and widower): *Adjustment pension* (paid for 1 year), if at least 5 years' marriage or cohabitation, or mutual children under age 12.

Maximum pension, 96% of reduced *base amount* (see Old-Age Pension under Qualifying Conditions, above).

Special survivor pension paid if illness/unemployment prevent self-support.

Orphans: 25% of reduced *base amount*, 50% if full orphan. Paid to age 18 (20 if student).

Adjustment: Annual automatic adjustment of benefits as the *base amount* is adjusted.

Earnings-related survivor pension (widow and widower):

Adjustment pension (paid for 1 year), up to 40% of pension of deceased.

Orphans: 30% of pension of deceased (increased by 20 percent per child if more than one).

Total survivor pension not to exceed 100% of pension of deceased. Transition rules are applicable to women born before 1944 who, on January 1, 1990, were widows aged 60 or over, or aged 45-59 if they became widows before reaching age 65: Universal pension—96% of current base amount if widow has child under age 16, or age 50 and married 5 years at husband's death. If age 36-49, no children, and married 5 years or more, full pension reduced by 1/15 for each year under age 50. Earnings-related pension—Widow receives 40% of projected or actual pension of deceased, or 35% if she has children. Minimum pension: 50% of combination of deceased's and own earnings-related pension.

Administrative Organization

National Social Insurance Board, central administration and supervision.

Administration of program, regional and local social insurance bodies.

Contributions of self-employed paid with income tax; those of employers collected by tax authorities at the source in conjunction with employers' income tax payments.

Earnings-related pension fund managed by 4 tripartite boards for public employment, for private employment by large firms, for private employment by small firms and for self-employment.

Sickness and Maternity

First laws: 1891 (cash benefits) and 1931 (medical benefits).

Current laws: 1962 and 1991 (Sick Pay Act).

Type of program: Dual social insurance (cash benefits) and universal (medical care) system.

Coverage

Cash benefits: Gainfully occupied persons earning 6,000 kronor a year or more, and registered unemployed (in lieu of unemployment benefits during sickness). Covered during posting abroad when work is intended to last no longer than a year. Foreigners employed in Sweden by foreign employers covered if work is intended to last more than a year.

Medical benefits: All residents.

Source of Funds

Insured person: Cash benefits: Employee, 2.95% of wages; self-employed, 9.12% of wages (lower rate if prolonged waiting period is chosen); **Medical care:** no contribution.

Employer: Cash benefits: 6.23% of payroll; **Medical care:** No contribution.

Government: Cash benefits: 15% of cost; **Medical care:** whole cost by regional councils.

Qualifying Conditions

No minimum qualifying period. When caring for child, either parent eligible for cash sickness benefit.

Cash maternity benefits (parents' cash benefits): Each parent eligible for benefits if insured at least 240 days before confinement. Pregnancy cash benefit: For expectant woman employee in physically demanding job where employer is not able to transfer her to less demanding work.

Sickness and Maternity Benefits

Sickness benefit: 80% of income loss from days 15 through 365; 70% from the 366th day and on, based on income up to 7.5 times *base amount*. Payable from 15th day of incapacity for duration of illness, 7 days a week. (Pensioners with income from work limited to 180 days.) (Employer pays days 2-3 at 75% of income loss, and days 4-14 at 90%; for self-employed and other qualifying non-employees: 65% of income loss from days 2-3; 70% from day 4 and thereafter.)

Maximum daily benefit, 587 kronor. Benefits subject to taxation.

Parents' cash benefit (for child birth): Replaces 90% of income loss for the first 60 days, 80% for up to 300 more days, 60 kronor a day thereafter. Benefits payable up to 450 days (per child) until child is age 8 (both parents combined).

Benefits subject to taxation.

Pregnancy cash benefit: Same as sickness benefit, payable for 50 days, not earlier than 60 days nor later than 10 days before childbirth.

Temporary benefit: Care of children under age 12 (age 16 if chronically ill or disabled): Similar to sickness benefit above, but 80% of income for the first 14 days, thereafter 90%. Payable for 60 days per child per year (both parents combined, including 10 days for the father for childbirth) for sickness of child or carer. Additional 60 days per child for sickness of child.

Adjustment: Annual automatic adjustment of benefits as the *base amount* is adjusted.

Workers' Medical Benefits

Medical benefits: Doctor's consultation: patient pays 80-250 kronor per visit (an additional 30-80 kronor for home visit). Hospitalization in ward (including maternity ward) of public hospital: patients pay maximum 80 kronor a day (reduced for low-income earners); refund of part of travel costs; free dental care for children up to age 18, other patients pay the initial 500 (700, as of 1 July 1995) kronor, 75% of cost between 500 (700, as of 1 July 1995) and 3,000 kronor, 60% of cost between 3,000 and 7,000 kronor, and 30% of cost in excess of 7,000 kronor; free medicine for some chronic diseases, other medicine costs maximum 125 (160, as of 1 July 1995) kronor (first item on prescription) and 25 (60, as of 1 July 1995) kronor for any additional item on the prescription; and no cost for specified appliances.

Pensioners pay maximum 75 (80, as of July 1995) kronor per day for hospital care (limited to 1/3 the amount of pension received).

Dependents' Medical Benefits

Medical benefits for dependents: Same as for family head.

Administrative Organization

Cash Benefits: National Social Insurance Board, central administration and supervision. Administration of program, regional and local social insurance offices. Contributions of employed and self-employed paid with income tax; those of employers collected by tax authorities at the source in conjunction with employers' income tax payments.

Medical Care: National Board of Health and Welfare, central supervision. Regional councils, administration and financing of program.

Work Injury

First law: 1901.

Current laws: 1976 (cash benefits for temporary disability provided under 1962 social insurance law and 1991 Sick Pay Act).

Type of program: Compulsory insurance with public carrier.

Coverage

All employed and self-employed. Covered during posting abroad when work is intended to last no longer than a year. Foreigners employed in Sweden by foreign employers covered if work is intended to last more than a year.

Source of Funds

Insured person: Employee, no contribution; self-employed, 1.40%.

Employer: 1.38% of payroll.

Government: No contribution (but provides subsidies to sickness insurance).

Maximum earnings for purposes of contribution and for benefit payments under temporary disability: 7.5 times *base amount*.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: Temporary disability benefits in connection with work injuries are provided under the sickness insurance program, with benefit levels identical to those mentioned above.

Adjustment: Annual automatic adjustment of benefits as the *base amount* is adjusted.

Permanent Disability Benefits

Permanent disability pension: If 100% disabled, 100% of income up to maximum 7.5 times *base amount*.

Partial disability: If 1/15 or more disabled, proportionate to degree of disability.

Adjustment: Annual automatic adjustment of benefits as the *base amount* is adjusted.

Workers' Medical Benefits

Medical benefits: Same as for the general sickness insurance program.

Survivor Benefits

Survivor pension: *Adjustment pension* (paid for a period of 1 year) if at least 5 years' marriage or cohabitation, or mutual children under age 12.

Maximum pension, 96% of *base amount*.

Special survivor pension paid if illness/unemployment prevent self-support.

Orphans: 20%-40% of disability pension of deceased for orphan under age 18 (20 if invalid).

Adjustment: Annual automatic adjustment of benefits as the *base amount* is adjusted.

Funeral grant: 30% of *base amount* at time of death.

Administrative Organization

National Social Insurance Board, central administration and supervision.

Administration of program, regional and local social insurance offices.

Unemployment

First law: 1934.

Current laws: 1973 (Unemployment insurance program and labor-market cash benefit program).

Type of program: Dual subsidized voluntary insurance and labor-market cash benefit systems.

Coverage

Unemployment insurance program: Employees and self-employed under age 65 belonging to unemployment funds established voluntarily by trade unions and by organizations for self-employed. Membership in fund usually compulsory for union members, but must also be open to voluntary affiliation of any employee in industry concerned. About 80% of all employees now belong to funds.

Labor-market cash benefit program: Employees and persons seeking employment if over age 20 and ineligible for unemployment insurance program.

Source of Funds

Insured person: Unemployment insurance program, 35-100 kronor a month, according to fund (covers about 3% of cost); labor-market cash benefit program, no contribution.

Employer: Unemployment insurance program and labor-market cash benefit program, 4.32% of payroll.

Government: No contribution. Deficit in funds temporarily covered by government.

Qualifying Conditions

Unemployment benefit: Unemployment insurance program, membership in fund for 12 months. Gainful activity 5 months in last 12 months prior to unemployment. Registered at public employment office, capable of work. Unemployment not due to voluntary leaving, misconduct, involvement in labor dispute, or refusal of suitable offer (disqualification usually 4 weeks).

Unemployment Benefits

Unemployment benefit: Union-related program, 80% of income loss, minimum 245, maximum 564 kronor a day according to wage class of employee.

Benefits subject to taxation.

Payable up to 300 days per unemployment period, and 450 days at age 55-64, 5 days a week.

Labor-market cash benefit program, 245 kronor a day.

Payable up to 300 days if under age 55 and 450 days at age 55-64.

Benefits subject to taxation.

Administrative Organization

National Labor Market Board, central administration and supervision.

Unemployment insurance funds, administration of program in industries, trades and professions throughout the country (40 funds in operation).

Labor-market cash benefit program, administered by four regional offices, labor boards and local employment offices.

Family Allowances

First and current law: 1947.

Type of program: Universal system.

Coverage

All residents with 1 or more children.

Source of Funds

Insured person: None.

Employer: None.

Government: Whole cost.

Qualifying Conditions

Family allowances: Child must be under age 16 (20 if student, 23 if attending special school for the mentally retarded).

Family Allowance Benefits

Family allowances: 750 kronor a month with 1 child; 1,500 kronor with 2 children; 2,450 kronor with 3 children; 3,800 kronor with 4 children. From the 5th child on, the additional family allowance is 750 kronor per child.

Administrative Organization

National Social Insurance Board, central administration and supervision.

Administration of program, regional and local social insurance offices.

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